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SUBJECT: ASSISTANCE COORDINATION IN IRAQ: A NEW PARTNERSHIP

REF: A. WERBERG-TAECKER EMAIL 11/11/2009

[1](#)B. BAGHDAD 2633
[1](#)C. 09ROME 0302
[1](#)D. BAGHDAD 3031

Sensitive but Unclassified; please protect accordingly.

[1](#)1. (U) Summary: In a clear show of support for the GOI, over twenty heads or deputy heads of missions resident in Iraq attended an International Compact with Iraq (ICI) / New Partnership meeting in Baghdad on November 7, followed by a similarly well-attended Donor Committee meeting of the International Reconstruction Fund Facility for Iraq (IRFFI) on November 8. The GOI and all donor partners unanimously agreed that the ICI had served an important purpose at a critical juncture in Iraq's post-war reconstruction, but that assistance coordination must now change to reflect Iraq's full sovereignty. While the exact nature of this new partnership was left to the next GOI administration to define, all parties at the two meetings, including the bilateral donors, the GOI, the UN, and World Bank, demonstrated a desire for continued close cooperation on assistance coordination and a desire to see the GOI articulate its own development priorities. End Summary.

A New Partnership to Replace the ICI
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[1](#)2. (U) A November 7 meeting in Baghdad that was originally conceived as an ICI Ministerial ended up as an Ambassadorial-level meeting to discuss a "new partnership" with Iraq. The meeting, co-chaired by Minister of Finance Jabr and Special Advisor to the UN Secretary General Ibrahim Gambari, was attended by over 20 heads of mission or deputies resident in Baghdad, along with UNAMI, the World Bank, and the Organization of the Islamic Conference (OIC). All attendees confirmed that the ICI had been a positive force for Iraq in the past, but circumstances had changed and the time had come to transition to a new partnership with Iraq, one that reflected Iraq's full sovereignty. The attendees also confirmed continued support for and cooperation with Iraq, and called for the current and next GOI to clearly articulate Iraq's development priorities. Coordinator for Assistance Transition Patricia Haslach represented the USG at the ICI and IRFFI meetings. (Note: Speeches and participant remarks have been sent to NEA/I/ECON, per ref email. End note)

[1](#)3. (SBU) Comment: In discussions among donors over the past few months and in meetings with the GOI, it was clear that the current GOI has little interest in or energy for the ICI. An exception was the ICI Secretariat, which is down to a semi-retired Iraqi seconded from the Ministry of Industry and a UK citizen contracted by the UN to provide Secretariat support. End Comment.

IRFFI Winding Down

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¶4. (U) A November 8 meeting of the IRFFI Donor Committee echoed the themes of the ICI-related meeting the day before, with heads of mission or deputies from 14 countries, the UN, World Bank, and GOI in attendance. The IRFFI meeting was co-chaired by Minister of Planning Ali Babaan and Danish Ambassador Mikael Winther, who has served as chair of the donor committee for the past year. A decision was made at the IRFFI meeting to extend the date for approval of projects under the UN Multi-Donor Trust Fund from January 1, 2010 to June 30, 2010, and to ask Ambassador Winther to stay on as donor committee chair. The UN said it would conduct a lessons-learned exercise using a sample of IRFFI projects, and the World Bank agreed to include its projects in the exercise as well. Newly arrived UNAMI DSRSG for the Office of Development and Qarrived UNAMI DSRSG for the Office of Development and Humanitarian Support Christine McNab (also Resident Coordinator) emphasized the need to avoid "the blame game" on lessons learned, and to try to answer the basic question as to whether each project had accomplished its objectives. A UN proposal to establish a new UN multi-donor trust fund received little support from any of the donors. (Note: The IRFFI has received no new funding from any donors for the last few years. In recognition of individual donors, direct bilateral assistance with the GOI, the previous Donor Committee meeting in Naples decided to close IRFFI down. Ref C. End note)

¶5. (SBU) Minister Babaan called for a "new type of partnership" to emerge between the international donors and the GOI. He said the next Iraqi administration would have

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its own ideas, and it would be premature to decide on any particular coordination mechanism at this time. Babaan noted that while Iraq has substantial financial resources, it still needs technical advisory support from the international community. Echoing comments made by Minister of Finance Jabr at the ICI meeting, Babaan called for international community support to remove Iraq from UN Chapter VII and to help with debt relief from neighboring countries, saying that this would be greater than any financial aid. In his closing remarks, Minister Babaan thanked all of the partners in Iraq, and specifically cited the United States as being "in the lead from the first day, giving the life of its soldiers," to make Iraq a better place.

NDP Standing Up

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¶6. (SBU) In remarks at the IRFFI meeting, UNAMI SRSG Ad Melkert noted that the yet-to-be-completed National Development Plan (NDP) would become a "key vehicle" for articulating Iraqi development priorities, and his comments were echoed by the Minister of Planning and other GOI officials at the IRFFI and ICI meetings. That said, most of the bilateral donors are skeptical as to the amount of support the GOI will give to the NDP. Additionally, there are concerns that politically sensitive issues such as governance, reconciliation, and human rights, are not yet included in the NDP. A recent NDP planning retreat in Erbil addressed some of these issues, but much work remains to be done (Ref D).

Partners Moving Forward, Cautiously

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¶7. (SBU) Comment: With the Strategic Framework Agreement, the Joint Campaign Plan, and the Mission Strategic Plan; and with our close cooperation with the UN, World Bank, and other donors, we have a clear direction for our own bilateral assistance efforts in Iraq. Other, smaller donors, however, have some concerns about transitioning from the

ICI and IRFFI without clear replacement mechanisms. We will continue to meet with all the donors in the monthly Iraq Partners Forum meetings, and bilaterally, to minimize duplication of efforts and maximize multiplier effects for our assistance efforts. Donors are currently setting up sectoral working groups to coordinate on specific substantive issues, e.g. water, private sector development, public finance management, etc. We will also maintain a robust conversation with the GOI now, during the post-election caretaker period, and after the formation of the new government to ensure that our bilateral assistance programs transition smoothly to the next administration. End Comment.
HILL